

Report of the bank committee. The Committee appointed by the House of Delegates, or either of them, have come to the decision to refuse payment in specie of their respective notes when presented for payment ... [Richmond, 1814].

Report of the Bank Committee

THE Committee appointed by the House of Delegates, jointly with a committee of the Senate to examine whether the Bank of Virginia and Farmers' Bank of Virginia, or either of them, have come to the decision to refuse payment in specie of their respective notes when presented for payment; and if so, to examine into the causes thereof, and into the state and condition of the Banks at the time they came to such decision; whether any and what aid can be afforded to the said Banks by the General Assembly, to enable them to resume the payment of their notes in specie, or to sustain the public confidence in those institutions; and further to examine into the present condition of the two Banks, beg leave to report:

That the President and Directors of the Farmers' Bank of Virginia did, on the 8th day of September last, come to the decision to refuse payment in specie of their notes when presented for payment— That the President and Directors of the Bank of Virginia have not formally come to a similar decision, but have left it to the discretion of the several cashiers of the institution to pay or refuse as they might judge proper. In fact and in effect, however, the two Banks appear to your committee to have acted under the influence of the same principle.

Your committee are of opinion that the Banks in pursuing this course, have acted wisely and are entirely justified by the existing state of things. Not to dwell on the unfavorable balance of trade with the states North and East of Virginia, growing out of circumstances which need not be enumerated, the natural and inevitable effect of which however, was to drain this state of its gold and silver, nor on the apprehensions of timid monied men, which impel them to convert their funds into specie and to hoard it in their coffers, your committee are persuaded that abundant justification of the step will be found in the fact, that prior to its adoption, all the Northern banks had adopted a similar measure. The suspension of specie payments, therefore, by our Banks was a measure of just and necessary precaution. Their vaults might otherwise directly or indirectly, have been emptied of the precious metals by institutions actually in their debt.

No mode has suggested itself to your committee by which the General Assembly can enable the Banks to resume their payments in specie, nor do they deem any interference on the part of the General Assembly to sustain the public confidence in those institutions, in the smallest degree, necessary. They appear to your committee to have been conducted, since the last enquiry into

their situation, with their accustomed prudence, and with increased caution.— In common with all institutions of the sort, in the United States, the Banks of this state have felt the effects of the existing state of public affairs. Of their stability and ultimate safety, however, your committee do not hesitate to state that they entertain no doubts.

Report of a special joint committee

This is the report of the Bank Com. in of a resolution into the House of Delegates on Monday, Oct 17, 1814 (See p. 16 of Journal of House of Delegates for 1814-15). Senate agreed next day (p. 17). Committee reports Friday, Nov. 18, 1814 (See p. 73)

250 copies of the report were ordered printed